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ARIZONA CORPORATION COMMISSION

TO: Docket Control

DATE: January 30, 2009

RE: INVESTIGATION OF REGULATORY AND RATE INCENTIVES FOR GAS AND ELECTRIC UTILITIES – DOCKET NOS. E-00000J-08-0314 AND G-00000C-08-0314

The Commission is scheduling an energy efficiency workshop from 9:30 a.m. to 12:00 p.m. on March 6, 2009, at the Corporation Commission at 1200 West Washington, Phoenix, Arizona. The workshop will take place in the first floor Hearing Room.

To facilitate the discussion, the Commission Staff has assembled the attached list of questions and requests that interested parties file written comments in response to these questions by February 20, 2009. Please file an original and 13 copies of any written comments with the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona 85007. The filing should reference Docket Nos. E-00000J-08-0314 and G-00000C-08-0314.

Staff appreciates the input and participation from all interested parties in this matter. If you have any questions, please contact Julie McNeely-Kirwan at (602) 542-0833.

Sincerely,

Ernest G. Johnson
Director
Utilities Division

Arizona Corporation Commission
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JAN 30 2009

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Attachment

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QUESTIONS FOR DISCUSSION IN THE ENERGY EFFICIENCY WORKSHOP

Energy Efficiency in Arizona: Existing Programs and Measures

1. Which energy efficiency programs and program strategies are most effective in assisting particular customer segments such as low and moderate income residential customers, households on fixed incomes, customers in existing homes (owner-occupied and rental), schools, local governments, small businesses, and large businesses?
2. What studies have the Arizona utility companies or other parties conducted over the past decade regarding the various energy efficiency options available in Arizona? (a) Which options produced the best in energy savings/costs? (b) Which produced the most energy efficient jobs? (c) Please provide data for, but not limited to, the following options: (i) Home Energy Audits; (ii) Solar water heater systems; (iii) Insulation/weatherization of residential properties and commercial properties; (iv) Incentives and rebates for Energy Star appliances; and (v) Landscaping to provide shading and passive solar.

Energy Efficiency in Arizona: New Programs and Measures

3. How can the energy efficiency efforts and programs be increased to provide even more benefits to customers? Specifically, how can the energy efficiency programs reach more customers and provide greater energy savings for each customer?
4. Are there additional cost-effective energy efficiency programs or enhancements of existing programs that should be implemented? What new energy efficiency programs or measures, such as direct install, could be implemented to enhance energy efficiency for utility customers?

Regulatory Elements

5. Are there specific actions the Commission should take to support energy efficiency programs?
6. Are there procedural options available to the Commission to accelerate progress towards increased energy efficiency?

Societal Goals

7. Would an annual energy efficiency standard or goal heighten the utilities' incentive to manage energy efficiency programs to maximize results?

8. What energy savings goals or standards should be set to increase energy efficiency in Arizona? How should an energy efficiency standard or goal be based (for example, on load or total resources), and at what level?
9. How should the results of energy efficiency programs be publicly reported so that Arizona consumers can easily assess the effectiveness of those programs?

Impacts on Utilities

10. What are the likely impacts on utility companies of increasing energy efficiency?

Incentives/Funding

11. What role can or should decoupling play in efforts aimed at energy efficiency?
12. In addition to decoupling, what other incentives, such as performance incentives, could be used to counter the disincentive of reduced sales that arise from energy efficiency programs?
13. How should a performance incentive be structured?
14. How can funding mechanisms be modified to increase utilities' incentive to more fully engage in energy efficiency programs?
15. Is additional funding needed for energy efficiency programs and, if so, what level of funding would produce the most benefits in relation to the cost?
16. If the Federal Economic Recovery package is adopted and includes significant funding for energy efficiency programs, how best should these monies be spent to enhance energy efficiency in Arizona?
17. What specific energy efficiency programs, measures or delivery mechanisms would produce the most results from additional funding?

REVISED AGENDA
ACC WORKSHOP ON ENERGY EFFICIENCY; REGULATORY AND
RATE INCENTIVES FOR GAS AND ELECTRIC UTILITIES
Docket Nos. E-00000J-08-0314 and G-00000C-08-0314

March 6, 2009
9:30 a.m. - 12:00 p.m.
Arizona Corporation Commission
Hearing Room
1200 W. Washington Street
Phoenix, AZ 85007

1. Introduction and Welcome - Commission Staff
2. Overview - Commission Staff
3. Summary and discussion of interested parties' written responses to questions
4. Identification of issues
5. Identification of presentations to be made by interested parties at subsequent meeting
6. Wrap-up and discussion of next steps